

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 93-375-C - ORDER NO. 93-1024
NOVEMBER 8, 1993

IN RE: Application of West Coast Telecommunications,) ORDER
Inc. for a Certificate of Public Convenience) APPROVING
and Necessity to Operate as a Reseller of) CERTIFICATE
Telecommunications Services Within the State)
of South Carolina.)

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of West Coast Telecommunications, Inc. (West Coast or the Company) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services in the State of South Carolina. West Coast's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1992) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed West Coast to publish a prepared Notice of Filing in newspapers of general circulation in the affected areas one time. The purpose of the Notice of Filing was to inform interested parties of West Coast's Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. West Coast complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was filed by Southern Bell Telephone and

Telegraph Company (Southern Bell). Southern Bell's subsequent Motion to Withdraw from this proceeding was granted by this Commission.

Michael W. Mlinar, Vice-President of Regulatory Affairs for West Coast Telecommunications, Inc., submitted verified testimony on behalf of the Company. Mr. Mlinar explained West Coast's request for authority to provide direct dial and operator assisted long distance service using the resold transmission services of certificated carriers in South Carolina. Mr. Mlinar stated that West Coast will offer its services primarily to residential and business customers but that its service will be available to all members of the public. Mr. Mlinar stated that West Coast has been conducting business in California since 1989 and presently conducts business nationwide and as well as internationally.

By letter, Mr. Mlinar has also informed the Commission that West Coast has no current arrangement with any underlying carrier to provide intrastate service in South Carolina. However, Mr. Mlinar states that West Coast is in contractual negotiations with several facilities based interexchange carriers to provide intrastate South Carolina transport capacity. Mr. Mlinar also states that West Coast does not have a product for the "900" dialing pattern service in its proposed tariff and that West Coast does not intend to offer a "900" product to South Carolina and users.

After full consideration of the applicable law, the Application, and the verified testimony and correspondence

presented by West Coast, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. West Coast is incorporated under the laws of the State of California, and is licensed to do business as a foreign corporation in the State of South Carolina by the Secretary of State.

2. West Coast operates as a non-facilities based reseller of interexchange services and wishes to do so in South Carolina.

3. West Coast has the experience, capability, and financial resources to provide the services as described in its Application.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to West Coast to provide intrastate service through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Services (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for West Coast for its resale services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order

No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. West Coast shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. West Coast shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of West Coast's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1992). The appropriate rates for operator assisted and calling card calls should not be higher than the intrastate rates, including the handling service charges and charges for usage, charged by AT&T at the time the call is made.

4. West Coast shall file its tariff and an accompanying price list within thirty (30) days of the date of this Order. Further, the tariff shall be filed with the Commission in a looseleaf binder.

5. West Coast is subject to access charges pursuant to Commission Order No. 96-584, in which the Commission determined

that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

6. With regard to West Coast's resale of service, an end user should be able to access another interexchange carrier or operator service provider if they so desire.

7. West Coast shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. West Coast shall notify the Commission, in writing, as to which underlying carrier(s) West Coast is using. If West Coast changes underlying carriers, it shall notify the Commission in writing.

8. West Coast shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

9. West Coast shall abide by the Commission's Operator Service Providers Guidelines as attached to Order No. 93-534 (June 28, 1993), Docket No. 93-026-C.

10. West Coast may allow as per its tariff a hotel, motel, or other property owner to collect a surcharge on each call made, said surcharge to be limited to a maximum of one dollar (\$1). Any surcharge added to the charges for a call on behalf of a property owner shall be returned to the property owner. This surcharge can only be added by West Coast when no other charge is imposed by the property owner.

11. West Coast is required to provide materials (such as tent cards and stickers) to inform users in hotels, motels, and

other properties that operator services are provided by West Coast, how the user may obtain rate information upon request, the method to contact the company if problems are experienced by the users of the service, and the amount of surcharge billed on behalf of a customer. The format for the information pieces should be consistent with the Commission requirement set forth in Order No. 93-811.

12. West Coast shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

13. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


VICE Chairman

ATTEST:


Deputy Executive Director

(SEAL)

DOCKET NO. 93-375-C - ORDER NO. 93-1024
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ATTACHMENT A

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS
FOR INTEREXCHANGE COMPANIES AND AOS'S

- (1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.
- (2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.
- (3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12 MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION, MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.

- (4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR ENDING _____.

*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

- (5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

- (6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3 ABOVE).